

Minutes

Meeting name	Cabinet
Date	Wednesday, 27 November 2019
Start time	4.00 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH

Present:

Chair Councillor J. Orson (Chair)

Councillors L. Higgins (Vice-Chair) R. de Burle
A. Freer-Jones J. Illingworth
A. Pearson

Observers Councillor J. Douglas
Councillor C. Evans

Officers Chief Executive
Director for Corporate Services
Director for Growth and Regeneration
Director for Governance & Regulatory Services
Assistant Director for Planning and Delivery
Welfare, Housing and Safer Communities Manager
Democratic Services Officer (CR)

Minute No.	Minute
49	APOLOGIES FOR ABSENCE There were no apologies for absence.
50	MINUTES The minutes of the meeting held on 30 October were confirmed and authorised to be signed by the Chair.
51	DECLARATIONS OF INTEREST Councillors Orson and Pearson each declared an interest in any items relating to Leicestershire County Council, due to their roles as County Councillors.
52	MATTERS REFERRED FROM SCRUTINY COMMITTEE IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES No items had been referred from Scrutiny Committee in accordance with the Scrutiny Procedure Rules.
53	DRAFT TENANCY AGREEMENT Councillor Alan Pearson, Portfolio Holder for Housing and Communities introduced the report, the purpose of which was to seek Cabinet approval to consult stakeholders on a draft Tenancy Agreement. Councillor Pearson gave a summary of the report, highlighting that a robust Tenancy Agreement would underpin a transparent and efficient Housing Improvement Plan and help to facilitate good housing and positive relationships with tenants. The draft Agreement, which had been subject to engagement with the Tenants Forum Executive Committee (TFEC) and benchmarked against those of other councils, set out the responsibilities of the Council and its tenants. All current tenants would be involved in the forthcoming Consultation on the draft Agreement. During discussion the following points were noted: <ul style="list-style-type: none"> • This issue was a high priority for the Council and formed part of improving the Council's housing service. • The content of the draft Tenancy Agreement was robust but the formatting needed to be corrected to ensure the page numbers corresponded to those stated on the contents page. • To encourage tenant compliance with the Agreement (specifically the principles detailed at section 8 of the draft Agreement, relating to anti-social behaviour) and support the Council's protection of others, the term of all new tenancies would be for an initial 12 months. Providing tenants had complied with their responsibilities, as detailed within the Agreement, they would transition to secure tenancies. Current law and regulations, as well as the Council's procedure of consultation, written warnings, Housing Officers

intervention would also support this.

- Tenancies and applications for tenancies had to be considered on a case by case basis. The content of this Agreement gave the Council robust management of its tenancies. It enabled the Council to refuse applications from those with a history of anti-social behaviour and provided a framework for court proceedings against non compliance of tenants.
- It was important to ensure that Leicestershire County Council met their agreed obligations to vulnerable people and this Council. Discussions would take place on a case by case basis.

DECISIONS (KEY DECISION)

Having considered the content of the draft Tenancy Agreement, Cabinet **APPROVED** the commencement of the consultation.

Reasons for decisions:

The Tenancy Agreement would assist officers in appropriately managing tenancies, with particular regard to rent collection, antisocial behaviour and providing tenants with information regarding their rights and responsibilities whilst living in their home.

The proposed agreement would allow officers to effectively enforce the conditions of the agreement whilst providing additional reassurance to tenants that their agreement with the Council was relevant and continued to uphold their rights.

54

BUDGET MONITORING 2019/20 QUARTER 2 - APRIL TO SEPTEMBER

Councillor Ronnie de Burle, Portfolio Holder for Corporate Finance and Resources introduced the report, the purpose of which was to provide financial progress information on the General Fund and Special Expenses for period 1 April 2019 to 30 September 2019.

Councillor de Burle gave a summary of the report, highlighting that this provided information on the forecasted outturn for the Council's Corporate, People and Place service areas. In addition to quarterly reporting of the budget position to Cabinet, monthly reporting at Strategic Leadership Team meetings ensured that any early warnings of financial pressures could be identified and resolved.

Councillor de Burle highlighted the charts at paragraph 6.1 of the report, which predicted

- i. General Fund overspends of £13k on the People Portfolio and £79k on the Place Portfolio and an underspend of £55k on the Corporate Priorities Portfolio, which amounted to a predicted net overspend of £36k.
- ii. Special Expenses underspend of £31k.

Referring to the Planning Application Fees shortfall of £115k, as detailed at Appendix A of the report, the Director for Corporate Services advised that since writing the report the shortfall had increased and a potential issue had been flagged. Further discussions were taking place in respect of this.

There were no comments or questions from Members.

DECISIONS (NON-KEY)

Cabinet **NOTED** the year end forecast and financial position for the General Fund and Special Expenses at 30 September 2019.

Reason for decision:

The Council, having set a Budget at the start of the financial year, needed to ensure the delivery of this Budget was achieved. Consequently there was a requirement to regularly monitor progress so corrective action could be taken when required which was enhanced with the regular reporting of the financial position.

55

HOUSING REVENUE ACCOUNT - BUDGET MONITORING - 1 APRIL 2019 TO 30 SEPTEMBER 2019

Councillor Ronnie de Burle, Portfolio Holder for Corporate Finances and Resources introduced the report, the purpose of which was to provide information on actual expenditure and income incurred on the Housing Revenue Account (HRA), compared to the latest approved budget for the period 1 April 2019 to 30 September 2019.

Councillor de Burle gave a summary of the report, advising that receipt of the formal business plan for the HRA in January 2020, would enable a more constructive review. There was a large budget in place but due to maintenance and development projects not being taken forward as planned there was an underspend of £198,917, as at the end of September. However, there was a potential overspend of £106k predicted for year end.

The Director for Corporate Services advised that the Chief Executive, the Director for Growth and Regeneration and herself had authorised expenditure in line with the Housing Improvement Plan which would amend the authorised budget and expenditure. There remained other areas where expenditure was needed and weekly meetings with the Finance Section were held on this. Further information would be provided to Members in the coming months.

During discussion the following point was noted:

- The income shortfall due to the loss of rent for void properties prompted comment on the use of the Housing Revenue Account to pay council tax on these properties and if the removal of this discount should be reconsidered.

DECISIONS (NON-KEY)

Cabinet **NOTED** the financial position on the Housing Revenue Account to 30 September 2019 and the year end forecast.

Reason for decision:

	<p>The Council, having set an agreed Budget at the start of the financial year, needed to ensure the delivery of this Budget was achieved. Consequently there was a requirement to regularly monitor progress so corrective action could be taken when required which was enhanced with the regular reporting of the financial position.</p>
56	<p>CAPITAL PROGRAMME MONITORING TO 30 SEPTEMBER 2019</p> <p>Ronnie de Burle, the Portfolio Holder for Corporate Finance and Resources introduced the report, the purpose of which was to provide financial progress information on the Capital Programme for period 1 April 2019 to 30 September 2019.</p> <p>Councillor de Burle gave a summary of the report, highlighting that monitoring of actual capital expenditure against authorised expenditure was undertaken on a regular basis and reported to Senior Leadership Team. Appendices A to D of the report gave details of the spending against budget for all projects up to 30 September 2019. The General Fund forecasted position was to spend all capital project monies for 2019/20 by year end. The HRA forecasted position was an underspend by year end. The forthcoming HRA business plan would inform the spend and budget setting process going forward.</p> <p>During discussion the following points was noted:</p> <ul style="list-style-type: none"> • The forecasted underspend on the public conveniences was welcomed by Members. • Ensuring the Council had a good quality telephony system in place was vital to providing excellent customer service. The telephony upgrade would support this. <p>DECISIONS (NON-KEY)</p> <p>Cabinet NOTED the financial position on the Capital Programme to 30 September 2019 and the year-end forecast.</p> <p>Reason for decision:</p> <p>The Council, having set an agreed Budget at the start of the financial year, needed to ensure the delivery of this Budget was achieved. Consequently there was a requirement to regularly monitor progress so corrective action could be taken when required which was enhanced with the regular reporting of the financial position.</p>
57	<p>MID YEAR REPORT ON THE TREASURY MANAGEMENT ACTIVITIES AND PRUDENTIAL INDICATORS 2019/20</p> <p>Councillor Ronnie de Burle, Portfolio Holder for Corporate Finance and Resources introduced the report, the purpose of which was to provide a summary of the treasury activities to the end of September 2019 and cover the actual position to date on the Prudential Indicators, in accordance with the Prudential Code.</p>

Councillor de Burle gave a summary of the report, highlighting the increasing interest rate forecasts at section 3.2 of Appendix A of the report, which had implications for borrowing. The Council's borrowing was £33.413m. This figure had not changed since the beginning of the year.

Councillor de Burle confirmed that as a result of good management the Council's investment portfolio had risen and the gross budgeted investment return was predicted at £365k and increase over that budgeted at £223k, which was an encouraging position. However, the underlying economic environment remained difficult for the Council.

During discussion the following point was noted:

- The budget and the Treasury Management strategy were approved together each year. The current strategy had a difference of approximately £7m between how much the Council was able to borrow (operational limit) how much it currently had. There is also a higher authorised limit. These were internally imposed limits which ensured that all borrowing was in line with that budgeted and expected in line with financial plans. The Borrowing threshold could be increased if necessary as long as this was in line with the financial plans of the Council.

DECISIONS (NON-KEY)

- (1) Cabinet **REFERRED** the mid-year position on treasury activity for 2019/20 to Council for noting;
- (2) Cabinet **REFERRED** the mid-year position on the prudential indicators for 2019/20 to Council for approval;
- (3) Cabinet **RECOMMENDED** to Council that a new Treasury Management Provision Reserve be established from 2019/20, with delegated authority given to the Director for Corporate Services to determine the affordable amount to contribute into this each year during the statutory override period.

Reasons for decision:

The Treasury Management Code required the Council to provide a mid-year update on Treasury Management activities to the Council. It was a requirement that Treasury Management performance was scrutinised during the year which fell within Cabinet's remit.

To facilitate the decision making process and support capital investment decisions the Prudential Code requires the Council to agree and monitor a minimum number of prudential indicators.

INFRASTRUCTURE FUNDING AGREEMENT WITH LEICESTERSHIRE COUNTY COUNCIL

Councillor Joe Orson, the Leader of the Council introduced the report, the purpose of which was to present the basis for a significant infrastructure funding agreement.

Councillor Orson gave a summary of the report, highlighting that this issue had a huge impact for the community, both socially and economically. The external funding contributions for the northern and eastern sections of the road had been secured and this report also set out the detailed funding for the southern section.

During Discussion the following points were noted:

- Members thanked officers for the work they had undertaken and specifically for the advice provided on this project, which was quite technical at times.
- The distributor road was a high priority for the Council. Leicestershire County Council was an important partner and this was a good agreement. Section 106 funding would enable affordable housing, educational allowances, green space and additional facilities for the community.
- The wording at paragraph 6.4 of the report, relating to the Council contributing 50% of New Homes Bonus provided by new homes delivered as a consequence of the road, was very general and the formula and modulus underpinning this would be specific. Approximately £4k out of the £6k new homes to be built would be subject to this principle.
- Subject to approval, at tomorrow's Planning Committee meeting a significant contribution of £4.5million towards the project will be realised. The northern, eastern and southern sections of the road would be delivered as one project, forward funded by Leicestershire County Council.

DECISIONS (KEY DECISION)

- (1) Cabinet **SUPPORTED** the principles of an infrastructure funding agreement with Leicestershire County Council and **RECOMMENDED** to Council that this Council enter into an Infrastructure Funding Agreement;
- (2) Cabinet **RECOMMENDED** to Council that delegated authority be granted to the Chief Executive, in consultation with the Leader, the Director for Governance and Regulatory Services and the Director for Corporate Services to negotiate the terms of the legal agreement with the County Council;
- (3) Cabinet **RECOMMENDED** to Council that delegated authority be granted to the Director for Governance and Regulatory Services to complete the associated legal documentation.

Reasons for decisions:

The proposal recognises the Council's aspirations to facilitate sustainable growth within Melton and that significant infrastructure is required to support

	<p>delivery of the approved Local Plan.</p> <p>Melton Borough Council has been a key partner in promoting and supporting the delivery of the relief road and the proposal enables the Council to make a significant financial contribution to future infrastructure costs; using the proceeds of growth, whilst protecting and ensuring the council's future financial viability.</p> <p>The proposal takes into account the financial pressure and risks on this Council's finances and proposes an affordable solution which also demonstrates its commitment to working proactively with the County Council to achieve mutually beneficial objectives.</p>
59	<p>AWARD OF CONTRACTS UNDER THE HOUSING IMPROVEMENT PLAN</p> <p>Councillor Joe Orson, the Leader of the Council introduced the report, the purpose of which was to ask Cabinet to endorse the award of contracts, which had been put in place in order to initiate an expeditious response to the Internal Audit report on Landlord Safety.</p> <p>Councillor Orson gave a summary of the report, highlighting that the approval requested was retrospective, due to the Council's immediate action in response to Internal Audit's report on landlord health and safety. The contracts were vital for the implementation of key actions, identified by the report to achieve compliance.</p> <p>The Director for Growth and Regeneration advised that consultants had been appointed and work had started due to urgency.</p> <p>There were no comments or questions from Members.</p> <p>DECISIONS (KEY DECISION)</p> <p>Cabinet ENDORSED the award of contracts.</p> <p>Reason for decisions:</p> <p>To seek retrospective approval for the award of contracts taken as an immediate response to the landlord health and safety report.</p>
60	<p>NEW FINANCE SYSTEM APPROVAL</p> <p>Councillor Ronnie de Burle, Portfolio Holder for Corporate Finance and Resources introduced the report, the purpose of which was to seek Cabinet approval to award a new finance system contract and recommend to Council the approval of the necessary funding to support the implementation.</p> <p>Councillor de Burle gave a summary of the report, highlighting that the Council's current financial system was no longer suitable for business needs and a procurement process had been put in place to acquire a new system. This would be a major cost to the Council but was vital to enabling financial procedures and processes to be undertaken ie invoicing, debt recovery etc. 'Supplier A' was the</p>

Council's preferred provider due to cost, quality and the ability to interface with neighbouring councils. The total implementation cost could be reduced through in-house support. Once the system was implemented, there would be an annual saving of £15k in maintenance and licensing.

During discussion the following points were noted:

- The Council would not be able to continue without replacing the system once it moved into being unsupported. This would effect the council's ability to carry out debt collection, invoicing, and financial transactions.
- The proposed solution was a good system at a good price.
- Clarification was sought on the length of the contract and the Director for Corporate Services provided the information that this was a five year contract with an option to extend for five years.
- Members requested the that Project Benefits and Outcomes, as detailed at paragraph 6.4 of the report be clearly set out for Members at the Council meeting on 18 December ie what did improved reporting capabilities and improved debt management functionality mean in practical terms.

DECISIONS (KEY DECISION)

- (1) Cabinet **AUTHORISED** the award of the contract for a new finance system to the chosen supplier;
- (2) Cabinet **DELEGATED** authority to the Director for Governance and Regulatory Services to draft and/or finalise any necessary legal documentation;
- (3) Cabinet **RECOMMENDED** to Council the approval of £250k to be allocated from the Corporate Priorities Reserve in order to fund this project.

Reasons for decisions:

The Council had undertaken a full procurement process which identified the chosen supplier as the preferred bidder against the award criteria.

The meeting closed at: 5.45 pm

Chair